GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:5327
ANSWERED ON:15.05.2007
TEXTILE COMMITTEE
Rao Shri Kavuru Samba Siva

Will the Minister of TEXTILES be pleased to state:

(a) the rate and methodology of imposing and collection of cess on textile industry and textile machinery;

(b) the utility and functions of the Textiles Committee in the present context;

(c) whether the Government proposes to abolish the Textile Committee Cess and earn its own revenue or abolish the Textile Committee; and

(d) if so, the details thereof ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a): In exercise of the powers conferred under the Textiles Committee Act, 1963, the Committee has been collecting cess on quantity of textiles and textile machinery manufactured in India at a specified rate notified by the Government. The rate of levy presently is 0.05% ad valorem with effect from 01.06.1977. The proceeds of the Cess collected, reduced by the cost of collection as determined by the Government, is credited to the consolidated fund of India. The methodology of collection of cess is as follows:

(1) The manufacturer submits the returns for textile article and textile machinery in prescribed forms. The Demand Notice for payment of cess is issued by the Committee on quarterly basis based on the information submitted by the manufacturer. In case of failure to furnish the return, the Committee assesses the amount of cess on the basis of figures obtained from the Central Excise Department or on the basis of average of cess levied on the previous two quarters.

(2) If the manufacturer does not pay the Cess amount within the stipulated time and does not respond to the Notices, a final notice is issued followed by letter to the concerned District Collector towards recovery of cess as an arrear of Land Revenue.

(b) : Textiles Committee has over the years, transformed itself from its regulatory mode to developmental mode and at present the Committee is providing its services of international standards to textile trade and industry, which include Textile Testing and Technical Services, Technical Assistance to Small and Medium Enterpreneurs to get ISO 9000 Quality Management System Certification, Consultancy Services on ISO 14000 & SA 8000, conducting Surveys/Census Studies to develop database pertaining to Textile Trade and Industry etc. In addition, the Committee has been involved in cluster development programmes and has a network of extension centres for testing laboratories, which impart training to the industry personnel in different textile clusters.

(c) & (d) : Government has exempted the Readymade Garments from the levy of cess under Textiles Committee Act with effect from 18.01.2007. The revenue of the Textiles Committee has been increasing over the years. There is no proposal to abolish the Textiles Committee.